

60,130-1950; 03ARM0383

**REMARKS**

Claims 1-4, 8-13, and 16-20 remain pending in the application including independent claims 1, 13, 18, and 20. Claims 5-7 and 14-15 have been cancelled and new claims 21-28 have been added.

Claim 13 is indicated as allowable. Claim 13 has been rewritten in independent form to include the limitations of the base claim and any intervening claims. Claim 13 is now in condition for allowance.

Claims 1-8, 12, 16, and 18-20 stand rejected under 35 U.S.C. 102(b) as being anticipated by Schmidt. Claims 1-6, 12, 17, and 20 stand rejected under 35 U.S.C. 102(b) as being anticipated by Lehongre.

Claims 14 and 15 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Lehongre or Schmidt alone. Claims 9-11 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Schmidt alone.

Claims 1, 18 and 20 have been amended to clarify that first and second power sources are electric or hydraulic drive motors. Neither Lehongre nor Schmidt discloses these types of motors in the configurations recited in claims 1, 18 and 20. The examiner argues that it would be obvious to replace the internal combustion engine in Lehongre and Schmidt with an electric or hydraulic drive motor because "the type of drive source used doesn't really matter to the functionality of the drive system as a whole." Applicant disagrees.

60,130-1950; 03ARM0383

This modification would clearly defeat the benefits achieved by the Lehongre and Schmidt hybrid driving configurations. In each reference, the examiner's modification would require replacement of the internal combustion engine with a hydraulic or electric drive motor. Such a modification would render both Lehongre and Schmidt unsatisfactory for their intended purposes and would change the principle of operation of Lehongre and Schmidt, as both vehicles would no longer be hybrids. The type of drive source does matter when the drive system as a whole is to provide hybrid functionality. The examiner's proposed modification cannot render the prior art unsatisfactory for its intended purpose and cannot change the principle of operation of the base reference. See MPEP 2143.01.

Further, with regard to the Lehongre reference, the examiner argues that bridge 20 comprises a differential assembly. Bridge 20 is clearly not a differential assembly. Lchongre discloses an internal combustion engine 14 and motor 16 that drive first T1 and second T2 planetary gear trains and bridge 20, which drives a single output shaft.

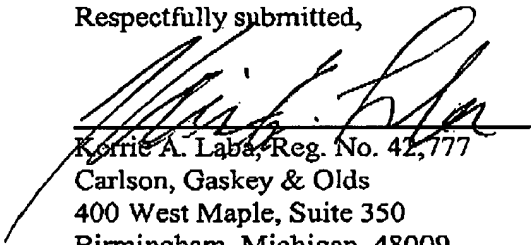
While it is well settled that the terms in a claim are to be given their broadest reasonable interpretation, this interpretation must be consistent with the specification, with claim language being read in light of the specification as it would be interpreted by one of ordinary skill in the art. In re Bond, 15 USPO2d 1566, 1567 (Fed. Cir. 1990). Applicant's differential assembly is clearly shown in Figures 1 and 2 and is described in the accompanying specification at paragraphs [12]-[13]. The subject differential assembly provides for speed differentiation between a pair of axle shafts. One of ordinary skill in the art simply would not consider the

60,130-1950; 03ARM0383

bridge 20 of Lehongre as corresponding to the differential assembly, especially as bridge 20 has only one output shaft.

Thus, for the reasons set forth above, applicant asserts that claims 1-4, 8-12, and 16-20 are allowable over the recited references. Fees for the additional three dependent claims and one independent claim (totaling \$350.00) may be charged to Deposit Account No. 50-1482 in the name of Carlson, Gaskey & Olds. It is believed that no additional fees are due, however, the Commissioner is authorized to charge Deposit Account No. 50-1482, in the name of Carlson, Gaskey & Olds, for any additional fees or credit the account for any overpayment.

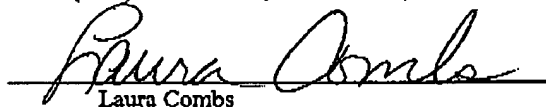
Respectfully submitted,

  
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CERTIFICATE OF TRANSMISSION UNDER 37 CFR 1.8

I hereby certify that this correspondence is being facsimile transmitted to the United States patent and Trademark Office, fax number (703) 872-9306, on June 2, 2005.

  
Laura Combs